Museum and Heritage
Prince Edward Island

Musée et patrimoine
Île-du-Prince-Édouard

Annual Report
2003 - 2004

Orwell Corner Historic Village
Crossroads

Orwell Corner Historic Village
Schoolhouse

105-02734/

Museum and Heritage
Prince Edward Island

Musée et patrimoine
Île-du-Prince-Édouard

Board Members

April 2003—March 2004

- Dr. Satadal Dasgupta, Representing University of Prince Edward Island
  Acting Chair from April 2003, Chair from January 2004
- Eileen Fulford, Representing Queens County
- Eloi Arsenault, Representing the Acadian Community
- Grace Blackette, Representing Kings County
- Isabel Court, Representing Queens County
- Allan Graham, Representing Prince County
- David Bergmark, *Treasurer*, Representing Kings County
- Harry Holman, Representing Office in the Public Sector
- Eldon Jamieson, Representing Queens County
- Ron MacNeill, Representing Officer in the Public Sector
- Barbara Boys MacCormac, *Secretary*, Representing Community Museums Association of Prince Edward Island

Museum and Heritage
Prince Edward Island

Musée et patrimoine
Île-du-Prince-Édouard

Goals

The purpose of the museum is "to study, collect, preserve, interpret, and protect the human and natural heritage of Prince Edward Island."

Vision

Prince Edward Island is a community where heritage and culture are valued, where Islanders and visitors understand, enjoy and embrace heritage.

Mission

As the custodian of Prince Edward Island's human and natural heritage, the museum will use resources and professionalism to work with individuals, communities and other partners to ensure the past is present in our lives.

Strategies

- The museum will be an exciting and informative place to explore the heritage of our unique community so that the future may benefit from the past.
- The museum will display and promote the beauty and drama in the diversity of Island history.
- The museum will provide a wide range of quality opportunities and ways by which all people can experience and appreciate the unique heritage of Prince Edward Island.

March 31, 2004

Hon. Elmer MacFadyen
Minister
Community and Cultural Affairs
Charlottetown, PE C1A 7N8

Dear Minister:

I am pleased to submit the Annual Report of the Prince Edward Island Museum & Heritage Foundation for the fiscal year ending March 31, 2004, along with the Report of the Auditor General.

The board can report significant accomplishments with construction of the Agricultural Museum at Orwell Corner, near record visitation and the completion of the Elmira Miniature Railway. However, the board's long-standing first priority, namely to properly house the Provincial Collection, remains unaccomplished.

Respectfully submitted,

Satadal Dasgupta
Chair
Prince Edward Island Museum & Heritage Foundation

Le 31 mars 2004

Honorable Elmer MacFadyen
Ministre
Affaires communautaires et culturelles
Charlottetown (Î.-P.-É.) C1A 7N8

Monsieur le Ministre,

J'ai l'honneur de vous soumettre le rapport annuel du Musée et de la Fondation du patrimoine de l'Île-du-Prince-Édouard pour l'exercice se terminant le 31 mars 2004, ainsi que le rapport du vérificateur général.

Le Conseil est en mesure de déclarer des réalisations importantes, notamment la construction du Musée agricole à Orwell Corner, le nombre de visiteurs presque sans précédent et l'achèvement du projet du chemin de fer miniature à Elmira. Toutefois, la priorité de longue date du Conseil, c'est-à-dire d'abriter convenablement la collection provinciale, n'est pas encore chose faite.

Le tout respectueusement soumis,

Satadal Dasgupta, président
Musée et la Fondation du patrimoine de l'Î.-P.-É.

March 31, 2004

Satadal Dasgupta PhD, Chair
Prince Edward Island Museum & Heritage Foundation
2 Kent Street
Charlottetown, PE C1A 1M6

Dear Sir:

I wish to submit the report of the activities of the Prince Edward Island Museum & Heritage Foundation for the fiscal year ending March 31, 2004, along with the Report of the Auditor General.

The board and staff's optimism that, at long last, a fitting home to exhibit and store the Provincial Collection was at hand, faded away when the province declined to make a capital contribution in 2004-2005. The museum's top priority, established more than 10 years ago, remains unrealized.

More favourably, the museum recorded 90,000 visitors in the calendar year. The Prince Edward Island Agricultural Heritage Museum at Orwell Corner was completed; this is a fine facility and will provide a premier showplace for the Island's farming heritage. It was only achieved with the earnest backing of the Orwell Museum Board, whose dream it was. The Friends of Elmira launched the miniature railway and continued to pursue development opportunities.

I am pessimistic about the museum's ability to meet its responsibilities without a solid foundation in a well-cared-for collection facility.

Respectfully submitted,

Christopher Severance
Executive Director

Le 31 mars 2004

Satadal Dasgupta Ph.D., président
Musée et la Fondation du patrimoine de l'Î.-P.-É.
2, rue Kent
Charlottetown (Î.-P.-É.) C1A 1M6

Monsieur,

Je désire soumettre le rapport des activités du Musée et de la Fondation du patrimoine de l'Île-du-Prince-Édouard pour l'exercice se terminant le 31 mars 2004, ainsi que le rapport du vérificateur général.

L'optimisme du Conseil et du personnel vis-à-vis notre rêve d'enfin pouvoir exposer et entreposer la collection provinciale s'est effacé lorsque la province a refusé de verser un apport de capital en 2004-2005. L'objectif prioritaire du musée, établi depuis plus de dix ans, n'a pas encore été réalisé.

Sur une note plus positive, le musée a reçu 90 000 visiteurs durant l'année civile. Le Musée du patrimoine agricole de l'Île-du-Prince-Édouard à Orwell Corner a été achevé; cet excellent établissement servira de lieu principal d'exposition pour le patrimoine agricole de l'Île. Ce projet n'aurait pu être accompli sans l'appui du Conseil du musée d'Orwell Corner, qui avait eu ce rêve. Les Amis d'Elmira ont lancé le chemin de fer miniature et continuent à viser des possibilités de développement.

Je n'ai pas grand espoir que le musée sera en mesure d'assumer ses responsabilités sans une base solide dans un établissement bien entretenu, qui servira à abriter la collection.

Le tout respectueusement soumis,

Christopher Severance
Directeur général

Organizational Chart

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Purpose

The museum's purpose is to study, collect, preserve, interpret, and protect the human and natural heritage of Prince Edward Island for the use, benefit and enjoyment of the people of the province. To guide its direction and priorities, the museum operates according to a five-year strategic plan first developed in 1996 and annually reviewed and adjusted for the museum and its components. *Goals are those areas where the museum is committed to achieving significant improvements as well as maintaining its current level of operation in other areas.*

This annual report outlines the current priority goals and provides the measures against which results may be compared. The museum wishes to be seen as:

- a vital aspect of Island society,
- knowledgeable and caring interpreters of heritage,
- a key component in the tourist industry,
- involved with meaningful activities, and
- part of the community.

The board has identified three areas for special emphasis:

1. The **collection** – we will collect and preserve material history significant to Prince Edward Island's heritage.

2. The **program** – we will make Island heritage available to residents and visitors, provided by our publication activities, extension service and the seven branch museums: Green Park Shipbuilding and Yeo House, The Acadian Museum, Eptek Art & Culture Centre, Beaconsfield Historic House, Orwell Corner Historic Village, Basin Head Fisheries Museum and Elmira Railway Museum.

3. **Advocacy** – we will promote appreciation and preservation of Island heritage, answer Islanders' expectations and support the preservation of community heritage.

Human Resources

The museum is committed to the development if its employees. Training opportunities have been accessed through the Public Service Commission's Learning Centre, the University of Prince Edward Island and several professional and special interest organizations.

Julie Gilman was appointed business administrator and, Hillis Jones, temporary administrative assistant to the executive director, was succeeded by Nora Young in September. Sharon Rose, formerly manager of Elmira Railway Museum, became program assistant at Orwell Corner. Three casual positions qualified for the Casual Conversion Program: two program support positions at Orwell Corner and the clerical assistant to the director of economic development. At year end the successful applicants remain to be identified.

Bill Simmons, director of economic development was seconded to the Capital Area Recreation Authority from July 2003 to July 2004. This position was not backfilled.

Lynne Morrow was appointed manager of Elmira Railway Museum and Greg Kent as operator of the Miniature Railway.

Eptek's Nonie Fraser has been on leave since April 2003 and Paula Kenny has been acting director, assisted by Lynn Turtle. Ms. Kenny's position as bilingual program assistant has not been filled.

Responsibility for Beaconsfield has been assigned to Lynanne Love as acting director. While this position has been reclassified, it has not been advertised.

Marilyn Thomsen resigned in October, Graeme Magill continues as acting collections technician.

The museum is fortunate to have a group of experienced seasonal casuals, several of whom have worked for the museum for more than 20 years. In addition, the sites are dependent upon staff provided by Jobs for Youth, the Employment Development Agency, Human Resources Development Canada projects, Industry Canada and Young Canada Works.

Infrastructure

The museum is directly responsible for the repair and maintenance of only two of its eight locations: Beaconsfield Historic House with its Carriage House and the Collection Storage Building, known as the Artifactory, located in the West Royalty Industrial Park. A third location, Eptek Art & Culture Centre in Summerside is leased from the Summerside Regional Development Corporation (SRDC), which addresses exterior maintenance, as a component of the Waterfront Mall.

Visitors assume that repair and maintenance for Elmira, Basin Head, Orwell, the Acadian Museum and Green Park is the museum's responsibility. To a great extent this erroneous belief is shared by surrounding communities.

The museum is not provided funding for repair and maintenance of museum buildings owned by the province. This responsibility rests with the Building Maintenance and Accommodations Division of the Department of Transportation and Public Works.

Neither the museum nor the Department of Transportation and Public Works have been allocated sufficient resources for this job. Every year the sites become shabbier, with only the most urgent issues being tackled. No medium or long-term maintenance plan for the museum sites has been devised or sufficient funds allocated. This chronic failure demands the province's attention.

Islanders and their visitors rightly assume that the province's public museum buildings will be properly maintained, whether or not purpose-built or historic.

Endowment Trust

Established in 1973, the Endowment Trust is managed by three trustees who are charged to "...invest and keep invested the Trust Fund, to be known as the Prince Edward Island Heritage Endowment Trust, and shall pay the net income derived therefrom to or for the Foundation for such items of expenditures as acquisitions, restoration, research, publishing and/or exhibitions, or capital projects as the Trustees may from time to time approve."

The Endowment Fund trustees met on November 27, 2003, and approved the board recommendation of a contribution of $22,250 to support publishing, collections, *The Island Magazine* and maintenance of Beaconsfield.

Trustees

Satadal Dasgupta – *Chair, Prince Edward Island Museum & Heritage Foundation*
Honourable Gerald Mitchell – *Chief Justice*
Honourable Mitch Murphy – *Provincial Treasurer*

The MacMillan-Pratt Trust was established in 1977 and has the same terms as the Prince Edward Island Heritage Endowment Trust.

The trustees were pleased to acknowledge a $100,000 contribution from the Wanda Wyatt Foundation. The late Miss Wyatt was an early chair of the Heritage Foundation and always supportive of the museum's work.

Sale of Professional Service

We have, in the collections and talented staff, resources which the museum markets to the public and private sectors. Curator of History and Exhibitions Boyde Beck has ongoing exhibition/interpretation projects for Fisheries and Oceans at Basin Head, the Central Development Corporation's Rustico Interpretation Centre and Souris' Matthew-MacLean building. Curator of Collections and Conservator Linda Berko worked on the Boer War Memorial Project for the City of Charlottetown and provides services for the PEI Regiment, Parks Canada, Wyatt Heritage Properties, the St. James Presbyterian Church and the private sector.

The Orwell Board received $157,000 from ACOA to develop an exhibition for the new Prince Edward Island Agricultural Heritage Museum. The PEI museum has undertaken to provide this exhibition and related services.

Heritage Activities

The Robert and Mildred Jaynes Trust was established to support the museum's activity of acquiring and protecting property of historical, architectural, natural or cultural interest, imposing restrictive covenants. Once protected by covenants such properties will be offered for sale, with the proceeds returned to the trust.

The board invited the Institute of Island Architectural Studies and Conservation to identify, research and make recommendations on suitable properties.

One property was assessed by the Institute of Island Studies and Conservation which recommended to the board that no action be taken.

Heritage Plaque Program

Since 1996 applications for plaques have levelled off to one or two per year. Of the 100 or more plaques now in place across the Island, most were mounted in the 1970s. In February 2004, the board ended the museum's Heritage Plaque Program. This decision was motivated by the province's Register of Heritage Places Program. The museum's program was viewed as redundant.

Heritage Awards

The Heritage Awards were presented at the Museum's Eptek Art & Culture Centre in Summerside on Heritage Day, February 16, 2004, by Lt. Governor J. Léonce Bernard.

The Heritage Awards Committee:
Grace Blackette, Allan Graham, Harry T. Holman, Catherine Hennessey, Diane Griffin and Museum Staff Liaison, Boyde Beck

The Heritage Awards Program continues to be very well received. Recognition is given for publishing, writing, architectural preservation, genealogy, general activity of a heritage character and an Award of Honour.

2003 Heritage Award Recipients

Architecture Awards

- Pat and Gordon MacKay, for their house Windermere, Charlottetown
- Friends of the Farmers' Bank of Rustico, for Doucet House, Rustico
- John and Jocelyn Brothers, for their house at 341 Shore Road, Cardigan
- Edgar and Brenda Dewar, for their house at 135 Dewars Road, Roseneath
- Ronan and Mary MacDonald, for the Cardigan Hotel, Cardigan
- Gordon Stright, for his house at 227 Richmond Street, Charlottetown

Writing Awards

- The Descendants of the Brudenell Pioneers, for their book *Perthshire to Three Rivers*
- Anita Simpson Hagen, for her book *World War I Letters From Harold Simpson*
- Betty Howatt, for her book *Tales from Willowshade Farm: An Island Woman's Notebook*
- The Association of Retired MLAs, for the book *Minding the House*
- Alan MacEachern, for his book *The Institute of Man and Resources: An Environmental Fable*
- Joan Colborne, for her book *Letters From the Manse*
- E. Windsor Corney, for his book *The History of the Summerside Fire Department, 1863-1995*
- The History Committee, Lot 16 United Church, for their book *Lot 16 United Church and its People*

Heritage Activities Awards

- Gerard Gallant, for contributions to heritage awareness in the Summerside area
- The International Fox Museum and Hall of Fame
- Dan MacDonald, for his summary of the vital statistics from the *Vindicator* newspaper

Mary Cornfoot Brehaut Award

- Gary Carroll for outstanding contributions in the field of genealogy

Wendell Boyle Award

- Susan Rodgers for an outstanding contribution in a performance medium, for her film *Bobby's Peace*.

Lieutenant Govenor, J. Léonce Bernard and Wendell Boyle Award winner, Susan Rodgers.

Award of Honour

- Robert Tuck for his outstanding contributions to heritage on Prince Edward Island

Goals

The Collection

A collection review is necessary. Each of the more than 80,000 objects will be reconsidered from the aspect of its pertinence to the Island's heritage and the object's condition. Having acknowledged this objective, a review would require additional funding to purchase both the time and the expertise unavailable from either the museum's status quo budget or our hard-pressed staff.

Conservation Services

Established in 1998, Conservation Services continues to offer conservation treatment, education and general advice to the public and private sectors. This service has been well received and is meeting revenue objectives.

Clients include: the City of Charlottetown, St. James Presbyterian Church, Government House, The PEI Regiment Museum and Wyatt Heritage Properties, as well as numerous others in the private sector. Conservation training for the museum community included the Canadian Conservation Institute workshop, Conservation of Historic Furniture.

In the near future, services offered to the public and private sectors will be enhanced with the construction of a conservation laboratory within the new Prince Edward Island Agricultural History Museum at Orwell Corner.

Economic Development

The annual provincial appropriation accounts for about 64 per cent of the museum's revenues. Notionally, the appropriation relates to the civil service salaries, regular and casual. The 36 per cent shortfall comes from an assortment of sources, including program and admissions fees, publications and gift shop sales, the Endowment Trust, and fundraising. Like many Canadian cultural institutions, the PEI Museum turned to donations, memberships and fundraising to sustain its public program. The Economic development officer

identifies and helps the board access individual and corporate backing for the Museum's program. Since the province appears unwilling to assume more financial responsibility for the provincial museum service, the board must take a more active role is securing operational and capital funding. This will require recognition and leadership by the board, and strong staff support from the economic development officer and the executive director. The board's leadership is essential for success.

In order to maintain a balanced budget, the position of economic development officer has been vacant since mid-July.

Corporate membership remains strong, but attention needs to be spent on developing strategies to increase general membership.

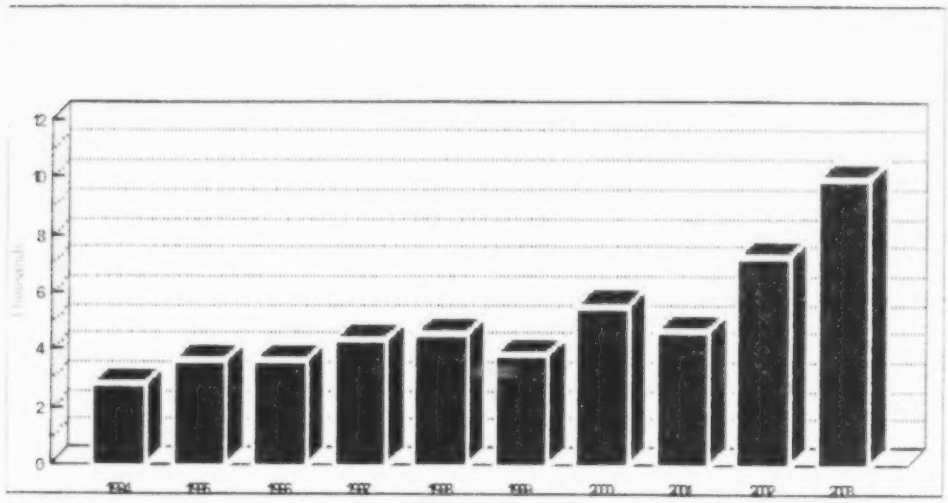
Museum & Heritage PEI Corporate Membership

1. Arsenault Best Cameron Ellis
2. Amalgamated Dairies Ltd.
3. Prince Edward Air
4. ACOA PEI and Tourism
5. Ellis and Birt Ltd.
6. The Guardian
7. Metro Credit Union Ltd.
8. Callbeck's Furniture Ltd.
9. COWS PEI
10. William W. Chandler, Architect
11. APM Landmark
12. Fair Isle Ford
13. Hillside Motors Ltd.
14. The Two Sisters Inc.
15. Home Accents
16. Diagnostic Chemicals
17. Dunne Consulting Group
18. RBC Dominion Securities (Charlottetown)
19. Vogue Optical
20. Capital Commission of PEI
21. Quality Inn
22. Harbord Rogers & Associates
23. SRDC
24. White Star Laundry Limited
25. Shipwright Inn
26. Patterson Palmer Hunt Murphy
27. Cavendish Farms
28. Hyndman & Company Ltd.
29. The Merchantman Pub
30. Century 21Colonial Realty
31. Johnston's Homestyle Products
32. Graphic Communications Inc.
33. ScotiaBank (Charlottetotwn)
34. Mr. Plumber
35. Lobster on the Wharf!
36. McInnes Cooper
37. Linkletter Farms Ltd.
38. Parks Canada
39. The Kiwanis Club of Charlottetown Inc.
40. D. Alex MacDonald Ltd.
41. H.L. Sear Insurance Limited
42. McCain Foods Canada Ltd.
43. Kenmac Energy
44. Kwik Kopy Printing

45. University of PEI
46. MacLean Construction Limited
47. PEI Energy Systems
48. Reliable Motors Ltd.
49. TechnoMedia Inc.
50. HR Associates Inc.
51. PEI Preserve Co. Ltd.
52. McAskill Woodworking Ltd.
53. McGee Electric Ltd.
54. Capital Honda
55. McKennco Incorporated
56. Family Vision Centre
57. Northumberland Ferries Ltd.
58. Campbell Lea
59. Coldwell Banker Mol Real Estate
60. Murphy's Pharmacies
61. Jim Murphy Inc.
62. Abegweit Tours & Travel
63. Inns on Great George
64. D.P. Murphy Inc.
65. OK Tire Stores of PEI Ltd.
66. Discover Kia
67. Atlantic Turbines Inc.
68. Maritime Electric Co.
69. Island Offset
70. CADC
71. Kelly's Flower Shoppe
72. Island Travel
73. Rodd Hotels and Resorts
74. PEI Bag Co. Ltd.
75. City of Charlottetown
76. Loyalist Country Inn
77. PEI Mutual Insurance Co.
78. Metro Building Supplies Ltd.
79. Cornwall Dental Clinic
80. Stoolmiller Research Consulting Inc.

The Sites

Elmira Railway Museum



The development of Elmira continued as a heritage destination in eastern Kings County, lead by the resourceful and dedicated Friends of Elmira. The site features the new exhibition building in which the museum's model railway is exhibited. This model railway collection was donated several years ago by the widow of hobbyist Robert Mepham. The historic station is now linked to the exhibit building and the canteen by an extended platform, which ends with a performance space installed on railcar trucks.

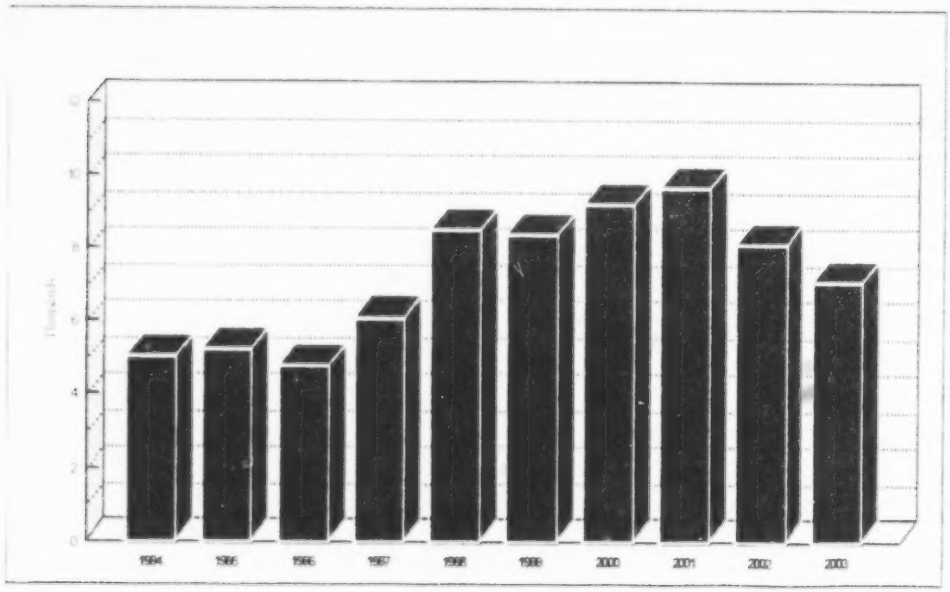
Work was completed on Phase I of the "Friend's" Miniature Railway Project. Opened in August on a limited basis to test the system, public response has been excellent.

Plans are that the Museum will operate the Miniature Railway on the behalf of the Friends. Project Funding was provided by ACOA, Human Resources Development Canada and the PEI Department of Development.

Located at the eastern terminus of the Confederation Trail, Elmira benefits from the Trail's popularity. Elmira provides food service, bicycle rental and the essential public restrooms for trail clients.

The Friends of Elmira came into existence as a result of community response to the museum's decision to give the 1920 Mail Car to Borden-Carlton. The Friends have now realized that repair/restoration of the mail car is not a viable option. The museum board, on the recommendation of the Friends, has authorized the deaccessioning of the mail car. A search is planned for another example of railway rolling stock. The success of the Friends of Elmira demonstrates the power of community groups to shape their own destiny. They moved Elmira to the top of the museum's priorities, and set the agenda for Elmira's recent expansion.

Green Park Shipbuilding Museum

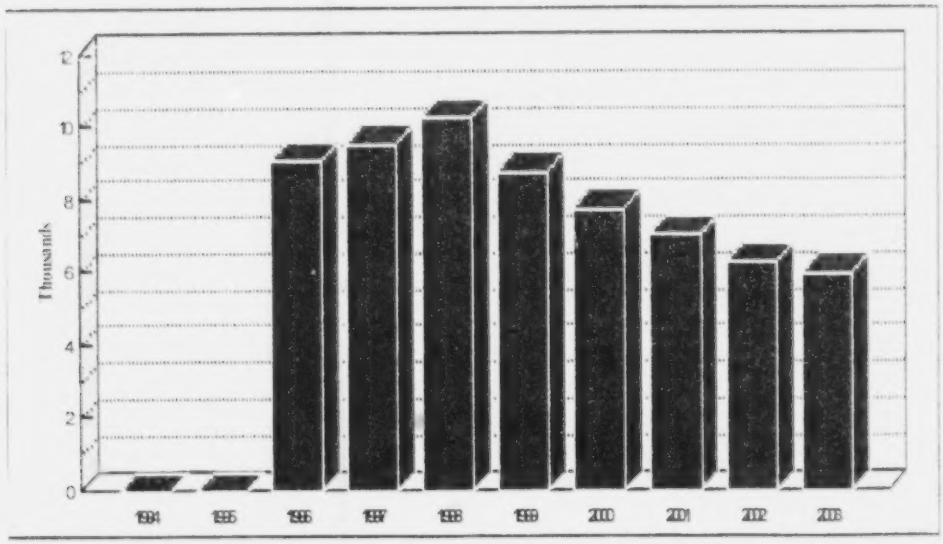


This site is showing its age, after years of inattention. Both interior and exterior of the Yeo House, as well as the structure, are in need of investment. The same is true of the Interpretation Centre. The Yeo House enjoyed some cosmetic improvements as a location for *Emily of New Moon*. Repair and maintenance of both buildings is the responsibility of Transportation and Public Works.

However, it is past the time for addressing the maintenance issues piecemeal. The shabbiness of this wonderful site is an embarrassment. There has been no significant investment in the infrastructure since the early 1970s. Of the seven PEI Museum locations, only Green Park has not benefited from major investment.

The replica shipyard, intended to tell the story of shipbuilding in 19th century Prince Edward Island, has fallen into disrepair. Community support appears to be reviving, witnessed by the revitalization of the Green Park Development Corporation.

Le Musée acadien/The Acadian Musem



In 1964 the Association Musée Acadien was established with the intention "...to build, construct, operate, and conduct museums." and "...having as its object the advancement of historic culture within the province."

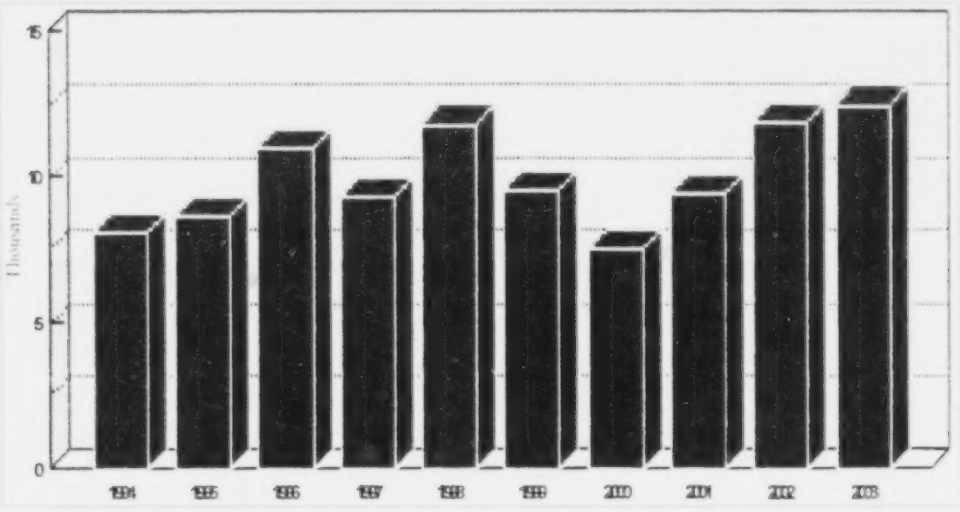
In 1990-1991 a purpose-built museum was constructed with federal and provincial support at Miscouche. On April 1, 1996, the Acadian Museum became the PEI museum's seventh site, under an agreement between the province, the PEI Museum and L'Association du Musée acadien. While the agreement ended in 2001, the parties agreed that it should remain in force until a successor was negotiated. Discussions are underway.

The public program includes temporary and permanent exhibition of Acadian culture, archival holdings and research library. L'Association received funding from general Agreement for the Promotion of Official Languages to hire an archivist for one year.

Museum staff are active in Acadian organizations. Several special events and programs have been planned for the celebrations for the 400th anniversary of Acadie.

Falling attendance has been identified as a serious concern. With 5,900 visitors for the calendar year 2003, the Acadian Museum, a year-round operation, has the lowest attendance of the seven sites. From a peak of 11,000 in 1999, each successive year records a drop in patronage.

Beaconsfield Historic House



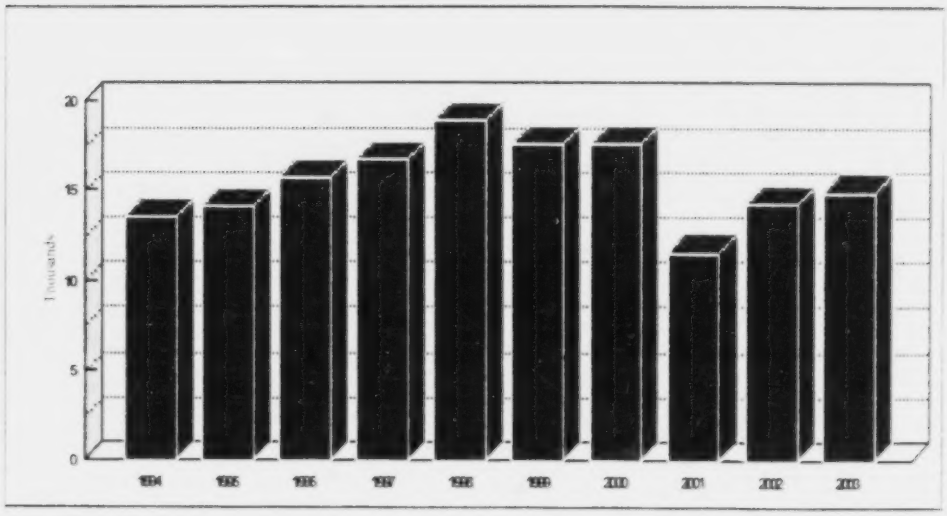
Redeveloped in the early 1990s using the model of a traditionally restored historic house, Beaconsfield, its Carriage House and gardens have enjoyed noteworthy success. In 2003 Beaconsfield attracted over 12,000 visitors, with a wide range of public programs. In 10 years Beaconsfield has welcomed 100,000 visitors. In large measure this success arises from the public programs offered in the Carriage House.

The non-public area of the house is home to the PEI Museum administration.

Unlike the museum's other public sites, Beaconsfield is owned by the Board of Governors. As to be expected with a 126-year-old heritage building, repair and maintenance is an ever-present challenge. Fortunately when Hurricane Juan toppled a chimney, causing damage to the roof, repairs were covered through the province's Risk Management and Self Insurance Program.

Much restoration work remains to be addressed, for example decorative iron work, fencing and the gardens. In order to reach optimum efficiency and meet potential, Beaconsfield requires an all-weather, enclosed, above-ground link to the Carriage House.

Orwell Corner Historic Village



In July, Orwell Corner Historic Village celebrated 30 years as a living history museum. In 1973 the provincial community development officer involved was Pat Binns. In addition to Premier Binns, guests at the birthday party included many people who contributed to the development and success of Orwell; and all the executive directors of the PEI Museum – Mrs Hennessy 1972-1983, Mr. Scott 1983-1987, Mr. Webber 1988-1991 and Mr. Severance from 1991.

PEI Museum & Heritage Executive Directors – past and present – left to right: Catherine Hennessey, Ian Scott, Chris Severance (current) and David Webber.

Orwell Corner Historic Village Inc. continues to have a significant role in the operation of the village. An invaluable source of advice for the site director, and always ready to volunteer, the corporation's presence and active participation puts the "living" in the living history museum. A high-level of cooperative dialogue is the hallmark of the PEI Museum relationship with the Orwell board. Much of the credit for the Orwell development goes to the Orwell board under the leadership of Chair Dan Kennedy.

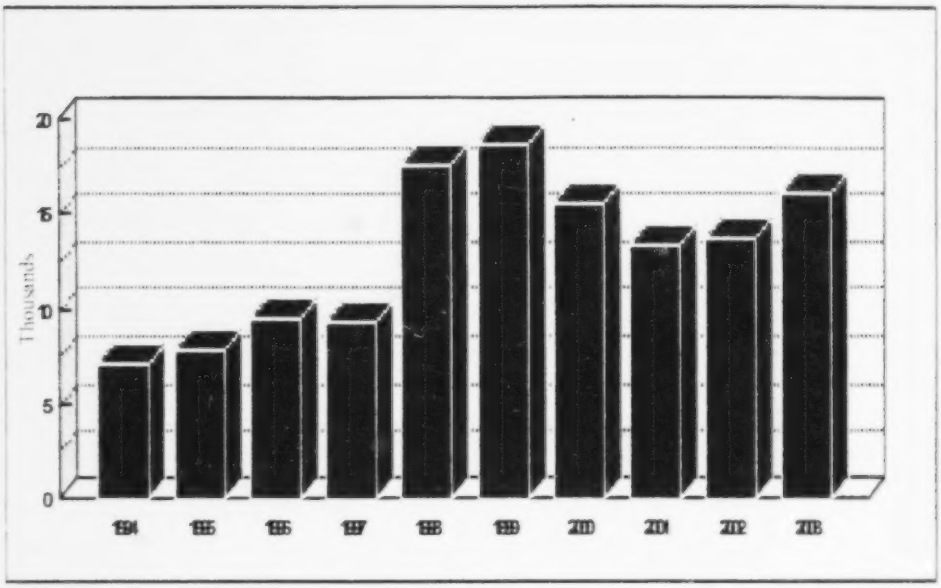
Dan Kennedy, Chair – Orwell Corner Historic Village Inc.

It was a dream of the late Wendell Boyle, shared by others, to see a museum building at Orwell to celebrate the Island's Agriculture Heritage. This dream in now realized. Funded by the province, the Department of Canadian Heritage, Atlantic Canada Opportunities Agency and the Orwell board the Prince Edward Island Agricultural Heritage Museum will officially open in June 2004. It is expected that this new 6,000 square foot museum will significantly strengthen Orwell as the premier heritage destination in eastern Prince Edward Island.

Repair and maintenance of the village buildings is a concern. As with several sites, this responsibility and funding rests with the Department of Transportation and Public Works. Unfortunately, a visitor looking at a peeling paint and rotting siding, looks to Orwell's board and/or the PEI Museum.

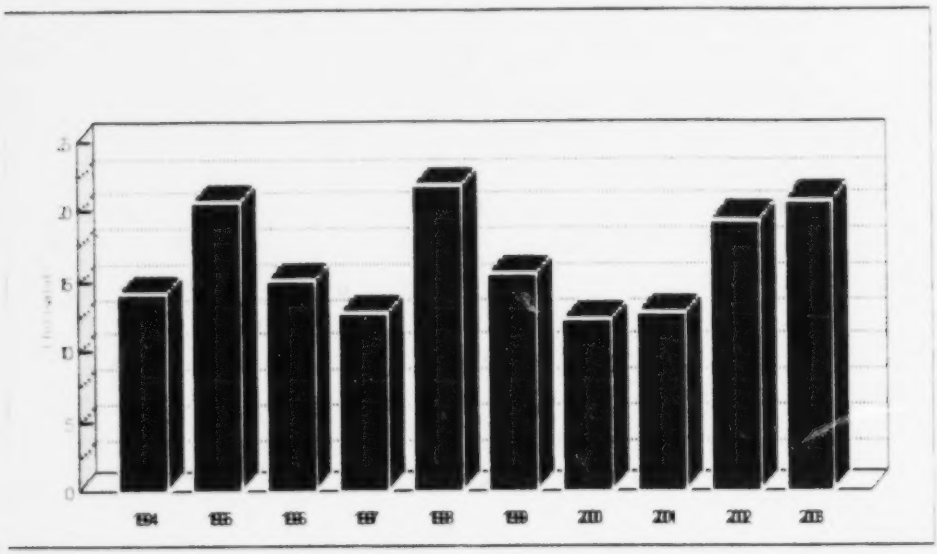
Exploratory consultations are underway between the PEI Museum, the province and the Sir Andrew Macphail Foundation on opportunities for the Macphail Homestead, one of which might have the Macphail homestead become the eighth site for the provincial museum. In the same vein, the Community Foundation of Prince Edward Island has declared an interest in collecting examples of Island-built agricultural equipment, and providing basic storage and display space at Orwell.

Basin Head Fisheries Museum



Situated overlooking what is reputed to be the finest beach on the Island, the Basin Head Fisheries Museum and the Basin Head Cannery are part of the PEI Museum system. Basin Head was the subject of a major development in the mid-1990s. As a result, the site is shared with Provincial Parks and several seasonal retail operations. While operations and programs remained in 2003 as originally established, planning began for an expansion of the museum building to properly house and display the boat collection. This fine collection is on display in several boatsheds located at a distance from the museum, and not frequented by visitors. These sheds are at the end of their useful life. Leadership for the expansion has been taken by the Basin Head Board. Funding has not been secured.

Eptek Art & Culture Centre



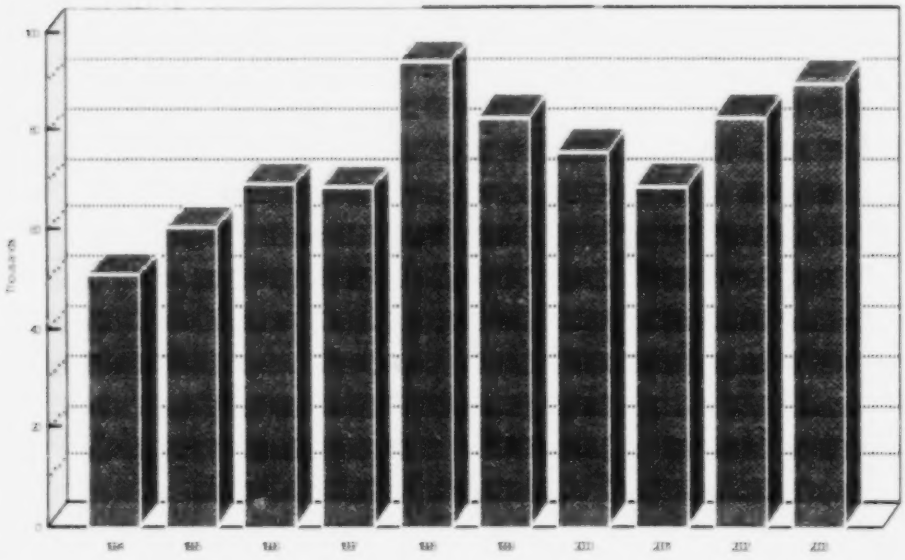
This centre was originally built as an exhibition centre in the late 1970s under the National Museum Policy, to present travelling exhibitions originating from large national and provincial museums and art galleries. Eptek's operations were subsidized with an annual grant from the Museum Assistance Policy. By the mid-1990s this federal initiative to "decentralize and democratize" access to important collections by bringing exhibitions to smaller communities was, after a decade of cutbacks, discontinued. Eptek's role was then reinvented and the focus shifted to exhibitions and public programs with a strong Island content encompassing the visual arts, crafts and heritage. Notwithstanding the cutbacks, the transition from the Museum Assistance Policy subsidy was a difficult period which was skilfully managed by Eptek's longtime director, Nonie Fraser.

It remains a challenge to stretch the very modest funding to ensure some exhibits of higher quality are displayed. This year, travelling exhibits, *A Century of Comfort* and *Lure of the River*, were alternated with local exhibits, *A Glimpse of the Past* and *Celebration of Craft*, both of which provided wonderful opportunities to work with such local groups as the Summerside and Area Historical Society, PEI Crafts Council, and MacNaught History Centre. Other small exhibits and programming brought more partners into the centre and the year finished up with locally curated *Isle of Contentment*.

Eptek remains the PEI Museum's best patronized facility. Staff are supported by a longstanding Friends organization, particularly through promotion and upgrades to programming equipment. Perennial favourites like the Lunchtime Film Series have been joined by events such as periodic History Circles, hosted in conjunction with community groups. Eptek, meaning "a warm place" in Mi'kmaq, is still a warm and welcoming place to Islander and visitors.

Visitation

Total Attendance 1993-2003



Year	2003	2002	%	Place
Elmira	10,011	7,423	34.86	5
Basin Head	16,185	13,720	17.97	2
Orwell	14,992	14,291	4.91	3
Beaconsfield	12,507	11,861	5.45	4
Eptek	20,889	19,483	7.22	1
Acadian Museum	5,954	6,251	-4.75	7
Green Park	7,119	8,129	-12.42	6
THE TOTAL	87,657	81,158	8.01%	
Government House	2,028	1,802	12.54%	8
	89,685	82,960	8.11%	

Exhibition and Public Programs

The museum teaches, entertains, dispenses information to visitors and uniquely uses the real object for the public well-being. The artifact or object provides the basic unit for the interpretation of the Island's heritage.

Elmira features our railway history; Basin Head presents the in-shore fishery story; Orwell – rural agricultural communities and farming history; Beaconsfield focuses on the urban merchant class; the Acadian odyssey is found at the Acadian Museum and Shipbuilding at Port Hill. In Summerside the Eptek Art and Culture Centre is a showcase for temporary exhibitions which can include community history, crafts and the visual arts, and eclectic exhibits developed on a particular theme. Supporting the public face of the museum is the human history collection.

Exhibits and Publications

The Island Magazine
The semi-annual publication of the human and natural heritage of Prince Edward Island, issues 53 and 54 appeared on schedule. The editor, Boyde Beck is supported by an Editorial Committee:

J. M. Bumstead
John Cousins
Rose Mary Curley
Catherine Hennessey
Ed MacDonald
Sheryl MacKay
Robert C. Tuck

While the recent *Island Magazine* reader survey elicited a broad and supportive response, the readership's demographic is a cause for concern. The great majority of readers are more than 50 years of age. Initiatives to reach a younger readership are under consideration. The Carrie Ellen Holman Award to recognize an outstanding article in the field of human history by a first-time contributor was not awarded this year.

Publications

The new expanded *Island Magazine Anthology*, authorized for publication in 2003-2004 was delayed and is rescheduled for published in 2004-2005.

The museum received a grant of $100,000 from the Wanda Wyatt Foundation to finance the publication of a *History of the Alex Campbell Years*. Author Andrew Wells, working with an advisory committee of Alex Campbell, Doug Boylan and Lorne Moase, began research.

The Institute of Island Architecture and Conservation is planning a book on Island Architectural Styles, partly funded by a $45,000 grant from the Wanda Wyatt Foundation, to be published by Dundurn Press.

Exhibits

A Lobster Tale: The Lobster Fishery of PEI is nearing the end of its itinerary. Installed at the New Brunswick Museum in Saint John until January 2004, it is now at the Mary March Museum in Grand Falls, Newfoundland and Labrador until October 2004. Another Museum Assistance Program (MAP) funded travelling exhibit – *Isle of Contentment: The Scots on Prince Edward Island*, was installed at the Eptek Exhibition Centre in the fall of 2003 and is currently on display at the Beaconsfield Historic House. It will go on to Saint John and Hamilton in the coming year. The major work for the year, however, has been the creation of a permanent exhibit for the new Agriculture Heritage Centre at Orwell Corner. With the assistance of ACOA, Cultural Spaces Canada and the Orwell board, we've been able to create an exciting addition of which we hope the whole museum community will be proud.

Government House Committee

The Committee
His Honour J. Léonce Bernard
David Webber, Chair
Isabel Court, Vice-chair, PEI Museum & Heritage Foundation
Kevin Rice, Confederation Centre Art Gallery
Linda Berko, PEI Museum & Heritage Foundation
Ken Shelton
Scott Stewart
Sharon Larter, Parks Canada
Margo Schurman Thompson
Kent Smith, Transportation and Public Works
Virginia Flood, Recording Secretary, Government House

Nine meetings were held between April 1, 2003 and March 31, 2004. Two major projects held the attention of the committee. Both have a profound effect on the grounds of Fanningbank.

The first, and arguably the most important, was the reconstruction of the 1860 gatehouse and gateway at the entrance to the grounds. This reconstruction had been suggested in a number of studies and reports, but it was only when the lieutenant governor decided that the project merited attention that plans were converted to action.

To accomplish the reconstruction the committee, under the leadership of the lieutenant governor, transmogrified into a cooperative, thereby enabling the various levels of government to give financial assistance; and with technical help from the Provincial Department of Transportation and Public Works, tenders were called and the contract for construction was awarded to Misty Isle Log Homes.

Ground was broken on the site in mid-June 2003. Work was completed in early October with the official opening on October 14, 2003.

Part of the project and indeed its very *raison d'etre* is that it houses a fine interpretive exhibit, produced by Ken Shelton, which illustrates the history of Government House and explains the role of the Lieutenant Governor in Government and the everyday life of the Province.

The second project was undertaken by the Garden Committee under its chair, Judge Kenneth MacDonald. The new chair of the of the Garden Committee, George Wright, took over from Judge MacDonald in March 2004. This project has still to be completed, as gardens cannot be hurried; however, within a few growing seasons, visitors to Fanningbank will see a transformation of the oval space enclosed by the driveway on the eastern side of the house into a formal hedged garden with gravel walkways and plantings. Planned as a place for outdoor functions, this garden complements the earlier work of the Garden Committee on the west side of the house and will be called The Rena MacLean Veterans Garden. Everyone associated with Fanningbank was saddened by the untimely death of Tammy Poole who did not live to see the plans for the east garden come to fruition.

The pace of work on the interior of the house has slackened. The painting of the Grand Salon, was the last major public space on the ground floor to receive a make -over. This leaves only the secretary's office to be dealt with in the coming year.

Major additions to the artworks exhibited in the house are portraits of Governor Young, donated to the province by his descendants in Tasmania, the purchase of a fine but incomplete study in oils of H.R.H. Prince Edward, the Duke of Kent, made possible by a donation of Sobey Foundation; and a loan of a portrait print of Prince Edward's daughter Queen Victoria at the time of her coronation, by Parks Canada.

Other work undertaken during the period under review includes the reupholstering of the fire bench in the music room and new curtains for the twin bedroom. Ongoing projects are the ever growing archives under the watchful eye of Ken Shelton and a new floodlight scheme for the exterior of the house which is being pursued by Scott Stewart.

Nothing of the above would have been accomplished without the active participation of all committee members and special thanks are due to Lieutenant Governor Bernard and to Kent Smith both of whom did much to facilitate this past year's achievements.

Respectfully submitted,
David A. Webber, Chair

Institute of Architectural Studies and Conservation

This is the institute's fifth report and covers the period from September 2003 until the end of May 2004. During this period the following were members of the board of directors and held office:

James Macnutt, Chairman; Robert Tuck, Vice-Chair; Todd Saunders, Secretary-Treasurer; Alain Cunningham; C.W.J. Eliot; Arnold Smith; Silva Stojack and Margo Thompson.

At the end of the year Dr. Cunningham, who had served as Summerside's Heritage Officer for several years, announced his intent to return to British Columbia, and thus his resignation. His fellow board members were distressed at this news, much as though they understood the reason, and all remarked on the quality of his advice, particularly in the area of advocacy, which will be sorely missed.

The institute continued its winter habit of presenting a series of public lectures in January in the Carriage House at Beaconsfield. This year's theme was Churches-Mostly Catholic, and we have already planned a series for 2005, Churches-Mostly Protestant. The speakers were Reginald Porter (two lectures) and Canon Tuck. The customary fourth lecture was lost in the snow.

The attendance in Charlottetown was remarkably good, on average 75 to 80. We also organized a series of three lectures given in April and May at Summerside entitled Without an Obvious Theme, two by Dr. Eliot and one by Canon Tuck. Although the general consensus was that each presentation met the high standards that have marked the Institute's lectures since the very beginning of the program, this set of three was not well attended, going from a high of 20 to a low of three. The future of the Summerside lectures will be carefully examined in the autumn.

Two other subjects were of central interest to the board of directors at its monthly meetings, first, the progress of the inventory of domestic architecture

planned to illustrate the best examples of the many styles that exist throughout the Island and the social history associated with them, and second, the institute's role in the operation of the Robert and Mildred Jaynes Trust "to identify property of historical, architectural, natural or cultural interest for the purpose of imposing restrictive covenants protecting the historical, architectural, natural or cultural importance."

With respect to the first, great progress has been made through the generosity of the Wyatt Trust that made a gift of $45,000 toward the expenses of such a project. Thus, we are now able to hire a modest staff to begin the research and collect the photographs and other illustrations deemed necessary to negotiate with a publisher for the book's printing, and even to dream of a publication date sometime in 2005. As for the second subject, here again progress has taken place through discussions with the Museum and Heritage Foundation who recently approved that the institute "advise the board on suitable properties for action under the provisions of the Robert and Mildred Jaynes Trust." This we have begun to do, our first assignment being our opinion on the Dalton Property in Tignish.

Respectfully submitted on behalf of the directors of the institute.
James W. Macnutt, Q.C., Chair

PEI Museum & Heritage Staff 2003-2004

Executive Director
Christopher Severance

Business Administrator
Julie G. Gilman

Administrative Assistant
Hillis Jones to September 2003, Nora Young from September 2003

Economic Development
William Simmons to July 2003

Director, Orwell Corner Historic Village/Public Program Officer
Tom LeClair

Publications and Exhibitions
Boyde Beck

Director, Eptek Art & Culture Centre
Paula Kenny (Acting)

Administrative Assistant, Eptek Art & Culture Centre
Lynne Turtle

Director, Acadian Museum
Cecile Gallant

Administrative Assistant, Acadian Museum
Angele Barriault

Conservator and Curator of Collections
Linda Berko

Collections Technician
Graeme Magill

Preparator
John Gillespie

Director, Beaconsfield Historic House
Lynanne Love (Acting)

Director, Basin Head Fisheries Museum
Anne Garrett

Bilingual Program Assistant, Eptek/Acadian Museum/Green Park
Paula Kenny (on temporary assignment)

Manager, Green Park Shipbuilding Museum
Estelle Dalton

Manager, Elmira Railway Museum
Lynne Morrow

Farmer, Orwell Corner Historic Village
Kevin MacLean

Program Assistants
Anne Lutz, Basin Head Fisheries Museum
Sharon Rose, Orwell Corner Historic Village
Blair Shaw, Orwell Corner Historic Village

Guides
Linda Ann Campbell, Basin Head Fisheries Museum
Joan Rose, Basin Head Fisheries Museum
Gloria Arsenault, Acadian Museum
Sylvia Wynn, Green Park Shipbuilding Museum
Anna Jean Dyment, Green Park Shipbuilding
Donna Williams, Green Park Shipbuilding Museum

Auditor General's Report

AUDITOR GENERAL

CHARLOTTETOWN
PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND

MUSEUM AND HERITAGE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2004

AUDITOR GENERAL

CHARLOTTETOWN
PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To The Board of Governors of the
Prince Edward Island Museum and Heritage Foundation

I have audited the balance sheet of the Prince Edward Island Museum and Heritage Foundation as at March 31, 2004 and the statements of operations and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Colin Younker, CA
Auditor General

Charlottetown, Prince Edward Island
June 16, 2004

STATEMENT 1

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
BALANCE SHEET
AS AT MARCH 31, 2004

	Operating Fund	Jaynes Trust Fund	Endowment Trust Fund	Orwell Trust Fund	Publishing Trust Fund	2004 Total	2003 Total
ASSETS							
Current							
Cash	$ 12,756	$ 24,359	$ 1,382	$6,600	$ 8,002	$ 53,099	$ 65,404
Short term investments - (Note 3)	255,000	-	-	-	-	255,000	-
Accounts Receivable							
- General	348,549	760	1,060	-	-	350,369	131,615
- Province of PEI	-	-	-	-	-	-	200,000
Amounts Due Between Funds - (Note 10)	(14,946)	-	-	1,380	13,566	-	-
Inventory - (Notes 2 & 6)	61,663	-	-	-	-	61,663	67,152
	663,022	25,119	2,442	7,980	21,568	720,131	464,171
Long Term							
Investments - (Notes 2 & 11)	6	94,434	512,919	-	12,114	619,473	544,523
Land, Buildings and Equipment - (Notes 2 & 8)	35,975	-	-	-	-	35,975	45,350
Artifacts - (Note 2)	1	-	-	-	-	1	1
	35,982	94,434	512,919	-	12,114	655,449	589,874
	$699,004	$119,553	$515,361	$7,980	$33,682	$1,375,580	$1,054,045
LIABILITIES AND FUND BALANCES							
Current							
Accounts Payable							
- General	$418,947	$ -	$ -	$ -	$ -	$ 418,947	$ 139,765
- Province of PEI	62,457	-	-	-	-	62,457	75,305
Deferred revenue	186,116	-	-	-	-	186,116	273,279
	667,520	-	-	-	-	667,520	488,349
Fund Balances - Statement 2							
Invested in Capital Assets	35,976	-	-	-	-	35,976	45,351
Externally Restricted - (Note 5)	-	119,553	515,361	-	-	634,914	528,506
Internally Restricted	-	-	-	7,980	33,682	41,662	50,353
Unrestricted	(4,492)	-	-	-	-	(4,492)	(58,514)
	31,484	119,553	515,361	7,980	33,682	708,060	565,696
	$699,004	$119,533	$515,361	$7,980	$33,682	$1,375,580	$1,054,045

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

DIRECTOR: _____

DIRECTOR: _____

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2004

	Operating Fund	Jaynes Trust Fund	Endowment Trust Fund	Orwell Trust Fund	Publishing Trust Fund	2004 Total	2003 Total
REVENUES							
Provincial Grants - (Note 7)	$1,351,707	$ -	$ -	$ -	$ -	$1,351,707	$ 783,454
Federal Grants - (Note 12)	206,646	-	-	-	-	206,646	393,974
Memberships and Donations	45,398	-	100,000	-	-	145,398	41,768
Admissions and House Events	161,793	-	-	-	-	161,793	169,795
Publishing Sales	21,433	-	-	-	-	21,433	21,602
Investment Income	7,005	5,145	24,033	144	1,168	37,495	31,737
Other	239,655	-	-	1,125	-	240,780	90,632
	2,033,637	5,145	124,033	1,269	1,168	2,165,252	1,532,962
EXPENDITURES							
Artifact Collection and Equipment	10,694	-	-	-	-	10,694	10,649
Amortization	9,374	-	-	-	-	9,374	9,374
Federal Projects - (Note 12)	747,656	-	-	-	-	747,656	428,318
Insurance, Taxes and Interest	21,396	-	-	-	-	21,396	20,373
Office and General	123,550	520	-	-	-	124,070	163,350
Public Programme	137,377	-	-	-	-	137,377	69,196
Publishing	21,931	-	13,000	-	-	34,931	41,926
Repairs and Maintenance	11,651	-	9,250	11,128	-	32,029	37,932
Travel	6,976	-	-	-	-	6,976	8,876
Utilities	67,627	-	-	-	-	67,627	70,261
Wages and Employee Benefits - (Note 9)	830,758	-	-	-	-	830,758	792,164
	1,988,990	520	22,250	11,128	-	2,022,888	1,652,419
Net Income (Loss) for the Year	44,647	4,625	101,783	(9,859)	1,168	142,364	(119,457)
Fund Balance, Beginning of Year	(13,163)	114,928	413,578	17,839	32,514	565,696	685,153
Fund Balance, End of Year	$ 31,484	$119,553	$515,361	$ 7,980	$33,682	$ 708,060	$ 565,696

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2004

	Operating Fund	Jaynes Trust Fund	Endowment Trust Fund	Orwell Trust Fund	Publishing Trust Fund	Total 2004	Total 2003
SOURCES OF CASH							
Provincial Grants	$1,376,661	$ -	$ -	$ -	$ -	$1,376,661	$ 758,500
Federal Grants	458,790	-	-	-	-	458,790	433,339
Memberships and Donations	45,158	-	100,000	-	-	145,158	40,988
Operating Activities	325,789	-	-	1,125	-	326,914	201,617
Investment Income	5,391	4,994	24,648	325	522	35,880	30,254
	2,211,789	4,994	124,648	1,450	522	2,343,403	1,464,698
USES OF CASH							
Investment (Increase) Decrease	(254,993)	17,040	(108,878)	17,403	(522)	(329,950)	(20,088)
Inventory (Increase) Decrease	5,489	-	-	-	-	5,489	26,549
Salaries	(843,607)	-	-	-	-	(843,607)	(811,669)
Other Operating Costs	(1,175,992)	(520)	-	(11,128)	-	(1,187,640)	(740,762)
	(2,269,103)	16,520	(108,878)	6,275	(522)	(2,355,708)	(1,545,970)
Cash from Operations and Investment	(57,314)	21,514	15,770	7,725	-	(12,305)	(81,272)
Cash Flows on Interfund Transactions	23,335	-	(22,210)	(1,125)	-	-	-
Balance, Beginning of Year	46,735	2,845	7,822	-	8,002	65,404	146,676
Balance, End of Year	$ 12,756	$24,359	$ 1,382	$ 6,600	$8,002	$ 53,099	$ 65,404

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

1. Purpose of the Organization

The Prince Edward Island Museum and Heritage Foundation is a registered charitable corporation whose purpose is to study, collect, preserve, interpret and protect the human and natural heritage of Prince Edward Island for the use, benefit and enjoyment of the people of the Province.

2. Significant Accounting Policies

a) Fund Accounting

The Operating Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Endowment Trust Fund was established to support and enhance the effort in the preservation and development of the Province's historic resources. The Endowment Fund reports resources contributed for endowment and the income earned on its investments. Expenditures from income of the Endowment Trust Fund are subject to approval of the Fund's trustees. Expenditures of the Fund's capital may be made with the approval of the Lieutenant Governor-in-Council.

The Publishing Trust Fund was established to finance publishing projects through loans to the Operating Fund. Money from the fund may be loaned to finance projects recommended by the Board's Publishing Committee and approved by the Board of Directors. Loans bear interest at the prevailing prime rate.

The Orwell Trust Fund was established to assure the recognition of the efforts of Orwell Corner Historical Site in becoming a financially viable operation. The Fund's resources are used to make improvements and enhancements to the historical site.

The Robert and Mildred Jaynes Trust was established to support the acquisition of property for the purpose of imposing restrictive covenants protecting historical, architectural, natural or cultural importance. Properties once protected will be offered for sale and proceeds returned to the Trust. Control of expenditures is governed by a Board of Trustees.

b) Amortization is calculated on the straight-line basis at the following rates:

Buildings	4%
Equipment	20%
Inventory	20%

Fully amortized equipment will be carried on the balance sheet at a nominal value of $1.

AUDITOR GENERAL - CHARLOTTETOWN, PEI

c) The capitalization policy is to capitalize all additions greater than $5,000.

d) Property acquired as a result of a bequest of the late Julian Jaynes has not been capitalized as it is not used in ongoing operations.

e) Artifacts are recorded on the balance sheet at a nominal value of $1. Due to the nature of these items the historical and intrinsic value is not readily measurable.

f) Inventory has been valued at the lower of cost and net realizable value. Books published by the Foundation are amortized by the straight-line method to determine net realizable value.

g) The value of donated materials and services is not reflected in the financial statements.

h) Investments are valued using the cost method. Interest revenue is recognized on strip bonds based on stated yield rates at purchase and cost is adjusted as income is recognized. For other investments interest revenue is recognized on an accrual basis and recorded cost represents the initial acquisition cost.

3. Short-Term Investments

Short-term investments are interest bearing investments that are carried at cost. Accrued interest is calculated and included in accounts receivable. Since these investments are held for a short period of time, their market value approximates their carrying value.

4. Orwell Corner Project

The Prince Edward Island Museum and Heritage Foundation constructed a new facility of 8,373 sq. ft. to house the Prince Edward Island Agricultural Heritage Museum. A plan to build a second facility of 25,000 sq. ft. for a Collection and Conservation Centre at the Orwell Corner Historic Village was cancelled during 2003/2004.

The Province of Prince Edward Island purchased a property appraised at $140,000 for the project. The Foundation purchased two other properties for the project for $90,000 and $17,000 respectively. Title to the properties is held by the Province.

5. Externally Restricted Funds

(a) Robert and Mildred Jaynes Trust Fund

As a result of a bequest of the late Julian Jaynes the Foundation acquired land and building situated in Stratford and the Robert and Mildred Jaynes Trust Fund of $100,000 was established. The land and building have been leased in exchange for maintenance and insurance coverages on the property.

The Robert and Mildred Jaynes Trust Fund is administered by three trustees:

- The Minister of the Government of Prince Edward Island responsible for the Museum Act
- The Chairman of the Board of Governors of the Museum
- Mrs. Robert (Mildred) Jaynes, the Settler, and after her;
- The serving PEI Governor of the Heritage Canada Foundation

The trustees may use the principle and income of the fund to support Museum activity of acquiring property for the purpose of imposing restrictive covenants and offering protected properties for sale with proceeds being returned to the Trust. The trustees may also make loans to the Board of Governors of the PEI Museum and Heritage Foundation on such terms and conditions as the Trustees determine.

(b) Endowment Trust Fund

The Endowment Trust Fund is administered by three trustees:
- The Provincial Treasurer of PEI
- The Chief Justice of the Supreme Court of PEI
- The Chairman of the Board of Directors of the PEI Museum and Heritage Foundation.

Normally only the income from investments is expended. Expenditures are to be used on specific projects which are within the aims and objectives of the Foundation.

6. Inventory

	2004	2003
Publishing Inventory		
Original cost	$ 207,098	$214,885
Accumulated amortization	(168,911)	(165,393)
Inventory value	38,187	49,492
Giftshop/Book Inventory - at cost	23,476	17,660
	$ 61,663	$ 67,152

7. Provincial Grants

The Provincial Grants amount of $1,351,707 (2003 - $783,454) includes an operating grant of $787,330 (2003 - $725,100), and French Services Claim revenue of $39,330 (2003 - $33,400) and Orwell Corner project revenue of $525,047 (2003 - $24,954).

8. Land, Buildings and Equipment

The recorded values of land and buildings represent those purchased and donated. Those purchased are recorded at cost and those donated are recorded at appraised value at the time of donation.

	2004			2003
	Recorded Value	Accumulated Amortization	Net Book Value	Net Book Value
Land				
Beaconsfield	$ 9,108	$ -	$ 9,108	$ 9,108
Warehouse	12,500	-	12,500	12,500
	21,608	-	21,608	21,608
Buildings				
Beaconsfield	104,216	104,216	-	-
Warehouse	234,343	219,977	14,366	23,741
Elmira Station	15,433	15,433	-	-
	353,992	339,626	14,366	23,741
Equipment	1	-	1	1
	$375,601	$339,626	$35,975	$45,350

9. Wages and Employee Benefits

Employees of the Prince Edward Island Museum and Heritage Foundation are members of the Prince Edward Island Civil Service Superannuation Plan. Other employee benefits and the employer's share of the plan benefits plus any additional future actuarial liabilities are assumed by the Province of PEI and are not reflected in the Foundation's financial statements.

During 2003-2004, the Foundation had funding for 263 weeks of employment at various historical sites from the Employment Development Agency. The employees are hired and wages are paid by the Prince Edward Island Employment Development Agency. The total wages and benefits paid to these employees during 2003-2004 was $67,934 and are not reflected in the financial statements of the Foundation.

10. Amounts Due Between Funds

At March 31, 2004, the following amounts were due (to) from the Operating Fund:

Endowment Trust Fund

Annual appropriation of interest income	$(22,250)
Transfers to Operating Fund	22,250
	-

10. Amounts Due Between Funds (continued...)

Orwell Trust Fund	
Donations to Orwell Trust Fund deposited to an Operating account	$ 1,380
Publishing Trust Fund	
Loan to Operating Fund plus accrued interest of 5%	13,566
	$14,946

11. Investments

	2004		2003
	Net Book Value	Market Value	Net Book Value
Operating Fund			
Souris Credit Union Shares	$ 6	$ 6	$ 13
Orwell Trust Fund			
Royal Bank GIC, 1.5% maturing June 11, 2003	-	-	10,918
CPN Province of Ontario, yield 2.69% maturing November 27, 2003	-	-	6,485
	-	-	17,403
Publishing Trust Fund			
Government of Canada Coupon, yield 4.50% maturing January 6, 2005	12,114	12,262	11,592
Robert & Mildred Jaynes Trust			
Bonds:			
Province of British Columbia Bond, yield 6.00% maturing June 21, 2004	24,791	25,001	23,388
Province of British Columbia Bond, yield 5.99% maturing July 9, 2006	24,782	26,558	23,382
Province of Saskatchewan Bond, yield 6.08% maturing October 10, 2008	24,861	27,490	23,436
Citizens Bank, yield 3.05%, maturing September 4, 2003	-	-	21,268
Bank of Montreal, yield 3.80%, maturing December 5, 2005	20,000	21,009	20,000
	94,434	100,058	111,474

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2004

11. Investments (continued...)

	2004		2003
	Net Book Value	Market Value	Net Book Value
Endowment Trust Fund			
Bonds:			
Province of Ontario Bond, yield 7.75%, maturing December 18, 2003	-	-	38,360
Province of Ontario Coupon, yield 9.00%, maturing September 15, 2004	39,355	41,383	39,355
General Motors Acceptance Corporation 5.5% Medium Term Note due June 20, 2005	40,027	41,617	40,049
Strip Bonds:			
Government of Canada Bond, yield 7.91%, maturing December 1, 2003	-	-	41,816
Province of Nova Scotia Coupon, yield 7.08%, maturing December 1, 2005	52,666	56,622	49,184
Sentinel Canada Prin. Ser.1, yield 5.87%, maturing October 1, 2006	24,091	25,729	22,755
Province of Ontario Coupon, yield 5.06%, maturing December 2, 2007	26,020	27,656	24,767
Province of Ontario Coupon, yield 5.17%, maturing December 2, 2008	24,170	25,784	22,982
Province of Saskatchewan, yield 6.30%, maturing January 18, 2010	17,371	19,446	16,342
Province of Newfoundland, yield 5.30%, maturing August 15, 2011	17,432	18,236	16,554
Province of New Brunswick, yield 4.40%, maturing November 23, 2009	25,375	25,756	-
Province of Quebec Coupon, yield 4.04%, maturing June 28, 2008	25,764	25,838	-
Province of Newfoundland Coupon, yield 3.50%, maturing October 17, 2006	25,396	26,628	-
Trans Canada Pipeline Coupon, yield 4.00% maturing October 20, 2007	25,445	25,631	-
GIC:			
Canadian Western Bank, yield 2.90%, maturing January 21, 2006	77,930	77,926	-
Equity Investments:			
1670 Units Sovereign Cdn Equity Pool	40,826	38,417	40,826
1312 Units Sovereign US Equity Pool	30,640	22,708	30,640
988 Units Sovereign Overseas Equity Pool	20,411	16,159	20,411
	512,919	515,536	404,041
	$619,473	$627,862	$544,523

12. Federal Government Revenue and Project Expenditures

	2004		2003	
	Revenue	Expenditures	Revenue	Expenditures
Projects				
Heritage Canada Foundation - Young Canada	$ 2,871	$ 3,999	$ 695	$ 695
Cultural Spaces Canada Program Orwell Corner Project	135,758	669,290	326,000	350,955
Basin Head Marine Protected Area Project	20	20	1,507	1,507
Canadian Museums Association Young Canada	14,762	19,484	17,171	23,556
Human Resources Development Canada SCP Program	17,516	19,504	14,474	17,478
Summer Work/Student Exchange Program	2,810	2,810	-	-
Canadian Heritage Museum Assistance	32,549	32,549	34,127	34,127
	206,286	$747,656	393,974	$428,318
General Grant				
Canadian Heritage Canada Committee	360		-	
	$206,646		$393,974	

Revenue received during a year but not expended is reflected as deferred revenue.

The expenditures shown as incurred for the Orwell Corner Project, Cultural Spaces Program only reflect those expenditures made directly by the PEI Museum and Heritage Foundation. Other expenditures were also incurred for the Orwell Corner Project by the Province of Prince Edward Island and the Pioneer Village of Orwell Incorporated but are not reflected in the above.

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